

**CONFIDENTIAL****DRAFT**  
December 1970

**MEMORANDUM FOR:** Executive Director/Comptroller

**SUBJECT :** Considerations for Continued Use of Liberalized Procedures for "Voluntary"-Involuntary Discontinued Service Retirement

1. Paragraph 6 contains recommendations for your consideration and approval.

2. Background:

The Civil Service Commission has long held that a resignation submitted in response to a request, not based on misconduct or delinquency, by a responsible agency official constitutes an involuntary separation for purposes of retirement on an immediate annuity. On 10 December 1969 the Commission in Federal Personnel Manual System Letter 831-23, extended this little used policy to "lighten the impact of current and future reductions-in-force (i.e., an employee may decide to forego his retention rights and resign, thus enabling the agency to retain an employee who would otherwise have to be separated)."

Accordingly, after an agency determines that a reduction in force is necessary, it may request by letter the resignation of employees in affected competitive areas who meet all requirements for discontinued service retirement on immediate annuity. Since the employee must state that he was not coerced into giving up his retention rights we think of this as a voluntary/involuntary

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**3. Agency use of liberalized procedures for discontinued service retirement.**

a. In January 1970 the Agency implemented the extended or liberalized Civil Service procedures for discontinued service retirement (TAB A) for Agency employees covered by the Civil Service Retirement System. The only determination necessary was that a surplus of personnel existed in any organizational unit. The organizational unit could be a Branch, Division, Office, Directorate, or as a last resort the Agency as a whole.

b. In consonance with the concept of a more liberal treatment of discontinued service retirement for employees covered by Civil Service, the Agency also expanded CIARDS policy to provide for involuntary retirement of employees who met all requirements for involuntary retirement, were employed in an organizational component where a surplus existed and were willing to be retired as surplus. Thus, the liberalized procedures for "involuntary" retirement under Civil Service and CIARDS combined to furnish a valuable tool in reducing the Agency's on-duty strength.

c. It is significant that from the time this program was initiated and projected to 30 June 1971, the Agency has applied these liberalized retirement procedures in the broadest sense, offering this option to any eligible and interested employee, regardless of career service, occupational field or grade level, until the Agency at large has reduced its on-duty strength to authorized ceiling.

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d. The contribution of this form of involuntary retirement toward attaining the authorized ceiling in FY 1970 was relatively modest (31 Civil Service and 8 CIARDS retirements) but the separations of these volunteers who could not otherwise have retired did, in fact, contribute to reaching the prescribed reduction. Thus far in FY 1971 (1 July to 30 November 1970) there have been 38 Civil Service and 15 CIARDS involuntary retirements with 20 more applications initiated by eligible employees for separation on or before 30 June 1971 (12 Civil Service and 8 CIARDS). (73)

4. In implementing this program as a necessary technique for accelerated reduction of on-duty surpluses and providing the option to all eligible employees, we recognized that management lost a degree of control. There have been retirements that were processed with regret. Employees with exceptional skills and some in occupational categories actually in short supply have opted to retire early. It is obvious that under the current broad application all options are with the employee rather than management. Management can encourage individual employees to take advantage of the discontinued service option, but those employees can refuse while others, who would not be considered surplus under a more definitive program, may and have elected to retire early. Despite the undesired loss of certain personnel by some components of the Agency, the broader considerations have been served toward attainment of our goal to reduce on-duty strength to prescribed ceilings by 30 June 1971.

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5. Unless further ceiling reductions are directed, the Agency will be at or under authorized strength on 1 July 1971. It would be appropriate at that time to modify our "voluntary/involuntary" retirement procedures so that the option for those qualified to retire is not open-ended and unrestricted. The liberalized early retirement program should be continued since it can still serve the needs of the Agency. We believe, however, that management should determine the competitive areas and/or the competitive levels within competitive areas where a true surplus exists. This change will permit Deputy Directors, in coordination with the Director of Personnel, to decide where in their Directorates a reduction is necessary and to thereby identify the employees to whom involuntary retirement may be offered. A competitive area may be a Directorate as a whole or a Career Service, Office, Division or Branch within a Directorate if there is a surplus in that area. A competitive level might be defined as an occupational grouping within which employees are essentially interchangeable (i.e., Supply Officers, GS 12-13, Logistics Career Service, or Reports Officers GS 13, Clandestine Service).

6. Under these guidelines it would also be possible for a Deputy Director to make voluntary/involuntary retirement available to an individual in an area where there is no surplus if the position vacated by that retirement can and will be filled by an employee from a competitive area, in his own or another Directorate, where a surplus does exist.

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7. It is recommended, therefore, that:

- a. the liberalized discontinued service and involuntary retirement program be continued beyond 30 June 1971;
- b. the program be limited in application to competitive areas established by Deputy Directors and the Director of Personnel as having a surplus situation.

Robert S. Wattles  
Director of Personnel

Attachment (Tab A)

CONCUR:

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The recommendations contained in paragraph 7 are approved.

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EYES ONLY

5 JAN 1970

MEMORANDUM FOR: Executive Director-Comptroller  
Deputy Director for Support  
Deputy Director for Intelligence  
Deputy Director for Plans  
Deputy Director for Science and Technology

SUBJECT : Involuntary Retirement under the Civil Service  
Retirement Act

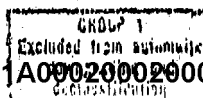
1. The Civil Service Retirement Act has long contained provisions for discontinued service retirement benefits payable to individuals who are involuntarily separated, or who resign in lieu of being involuntarily separated, for reasons other than cause. Typically, reasons which qualify an individual for discontinued service retirement benefits include abolishment of position and reduction in force. In such instances, an individual who has 25 years of service or who is at least 50 years of age with 20 years of service, is eligible for a discontinued service annuity. The annuity is reduced by 1/6 of 1% per month (2% a year) for each month the individual is under age 55.

2. The Civil Service Commission recently announced an extension of the discontinued service retirement concept which liberalizes criteria for discontinued service retirement benefits. This interpretation permits the retirement of a Federal employee, who would be involved in a reduction in force procedure, if he agrees to resign instead of exercising his retention rights. Our analysis of this new procedure led us to conclude that the Agency, even though we do not have retention rights or run classical reductions in force, might be able to develop a similar program of liberalized discontinued service retirement benefits as a means of effecting personnel reductions.

3. Some years ago, the Agency reached an agreement with the Bureau of Retirement and Insurance (BRI) that individuals separated (or who resigned in lieu of being separated) because they were identified as surplus to the needs of their services were eligible for discontinued service retirement, if otherwise eligible. We confirmed with the Director, BRI that the new CSC policy on involuntary retirement could be adapted to meet Agency requirements and could be added to our earlier agreement. Please note, however, that there is one significant difference from our earlier agreement with BRI. In the past, it was necessary to identify specific individuals as surplus and to do this, the Agency developed a formal screening process. Under the

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new extension of policy by the BRI, identification of specific individuals in the first instance is not necessary. We need only find that a surplus of personnel exists in a given organization unit - be it at the sub-Branch, Branch, Division, Office, or even Directorate level. Once such a determination is made, any employee in the designated organizational unit may qualify for discontinued service retirement benefits - if otherwise eligible - if his separation is effected in order to achieve a personnel reduction.

4. Each case will be documented as an involuntary retirement. We must establish that a surplus exists, that the individual has officially been requested to resign and that he has agreed to do so. Despite this necessary documentation the new procedure is, in effect, another form of voluntary retirement and is not adversary in nature.

5. Heads of Agency components can take the initiative and explore with eligible employees their willingness to resign if offered discontinued service retirement benefits. To aid you in this effort we have attached a list of employees in your Directorate who meet the minimum age or service requirements. You may also want to publicize the availability of this option and allow employees to take the initiative in surfacing their willingness to resign. It should be understood that once this option is made available to any employee in an organizational unit in which a surplus exists it must be made available to all.

6. If you need additional information, or any assistance in implementing this new procedure, please call on me [redacted]

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[redacted]  
Robert S. Wattles  
Director of Personnel

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Attachment

Distribution:

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- 1 - DD/Pers/SP
- ✓ 1 - D/Pers Subject
- 1 - D/Pers Chrono

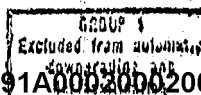
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DD/Pers [redacted]:dp (2 Jan 70)

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4		2/8	MCL
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ACTION		DIRECT REPLY	PREPARE REPLY
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<b>Remarks:</b> THIS IS THE PROPOSAL RAD INITIATED BUT WHICH WAS NOT IMPLEMENTED BY THE DDP DIRECTORS — I.E. THEY DECIDED TO RETAIN CURRENT "OPEN" POLICY THROUGH 30 JUNE 1971 — NO DECISION ON POLICY BEGINNING 1 JULY 1971 — PROBABLY RETAIN CURRENT PROGRAM			
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Remarks: This is how the paper looked when discussed at Deputies meeting. Thank for your work in getting it this far.  
 Ben

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